

PROGRAM DESCRIPTION

Department: Economic Development

HB Section(s): 7.105

Program Name: Rural Broadband Grants

Program is found in the following core budget(s): Rural Broadband Grants

1a. What strategic priority does this program address?

Laser Focused

1b. What does this program do?

The Missouri Broadband Grant program provides state resources via grants to applicants who will provide high speed internet to connections made up of rural businesses, farms, community institutions, and households across Missouri. Applicants from unserved areas, which experience little or no internet service at all, will receive high priority status and underserved areas will be only considered if resources are available. DED will evaluate and award the grants. The Office of Broadband Development will support the recipients, ensure compliance, validate the technology is deployed, and celebrate successful completion of the projects. The Missouri Broadband Grant Program will sunset on August 28, 2027.

2a. Provide an activity measure(s) for the program.

| | FY2018 Actual | FY2019 Actual | FY2020 Actual | FY2021 Projected | FY2022 Projected | FY2023 Projected |
|---|--------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| Review and evaluate grant applicants | N/A | N/A | 40 | 0 | 65 | 65 |
| Award broadband grants/projects | N/A | N/A | 16 | 0 | 30 | 30 |
| Manage, announce, and close-out projects | N/A | N/A | 0 | 16 | 30 | 30 |

Note 1: In January 2020, the program received 40 applications and funded 16 projects. The submissions of applications will steadily increase as the need for broadband has elevated significantly during the recent events demanding for remote learning and work. The final activity measure encompasses the overall management of the program overseeing project milestones, ensuring quality, and validating installation of proposed technology.

Note 2: While funding was not appropriated in FY2021, the Office of Broadband Development has implemented a broadband grant program through the use of CARES Act funds to assist providers in extending service to unserved or underserved locations.

2b. Provide a measure(s) of the program's quality.

| | FY2018 Actual | FY2019 Actual | FY2020 Actual | FY2021 Projected | FY2022 Projected | FY2023 Projected |
|---|--------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| Percent of grant connections exceeding 25/3 Mbps | N/A | N/A | 94% | 0% | 85% | 90% |
| Days from grant submittal to awards | N/A | N/A | 101 | 0 | 80 | 70 |

The state has defined the baseline speed to be classified as high speed internet as 25 Megabits per second (Mbps) download, 3 Mbps upload, as such efforts will be made to track the percentage of connections exceeding 25/3 funded by the grant. The program's quality will be also be measured in its ability to evaluate, rank, complete the challenge process, and announce grant awards. Applicants need to know in a timely fashion the outcome of their submissions and for the state to expediently deploy appropriated funds.

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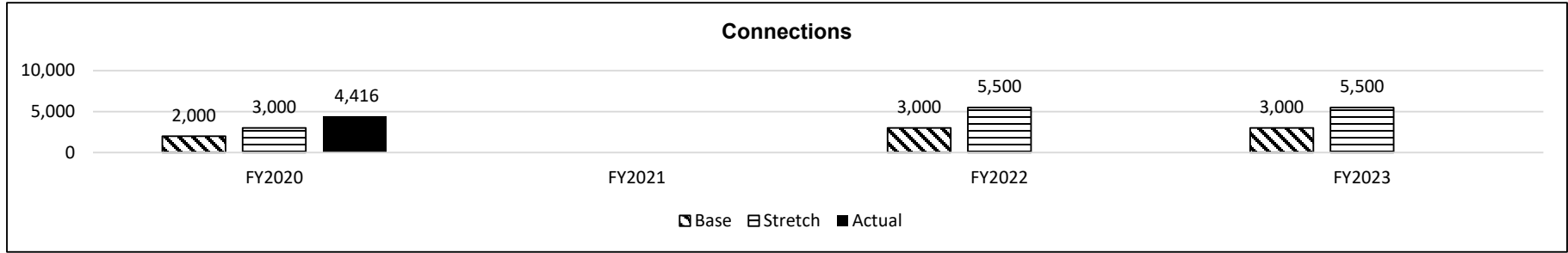
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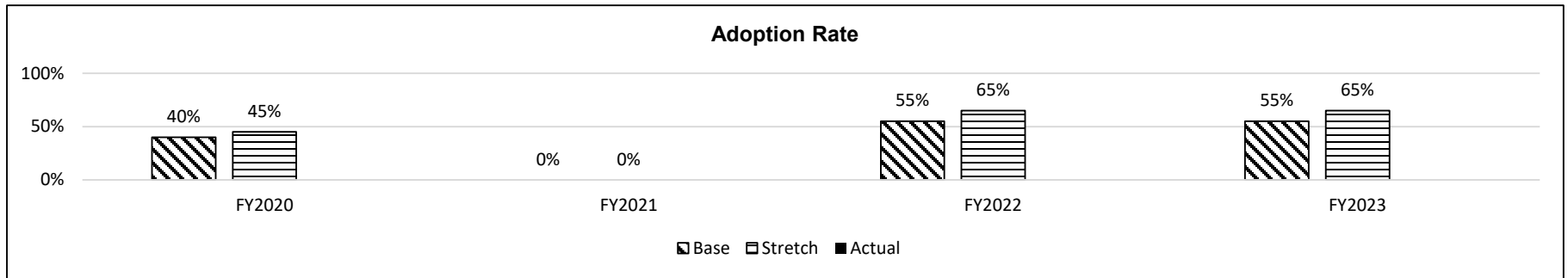
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2c. Provide a measure(s) of the program's impact.



Total number of connections refer to those who will have the opportunity to access the new broadband infrastructure. Connections include businesses, farms, important community institutions, and households. Missouri is technology neutral and could experience higher amount of potential connections.



Adoption rate is expressed as a percentage on total number of actual subscribers to the newly built and/or expanded broadband service divided by the number of proposed connections. Deploying new broadband infrastructure increases access, but the real impact for economic opportunity exists when the adoption rate is high. Exceeding these benchmarks will assist broadband providers in projecting future rehabilitation and expansion projects.

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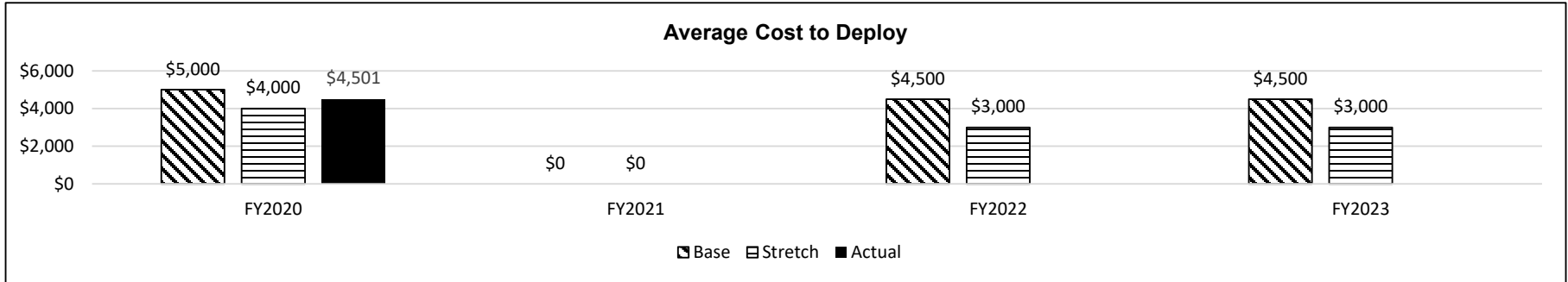
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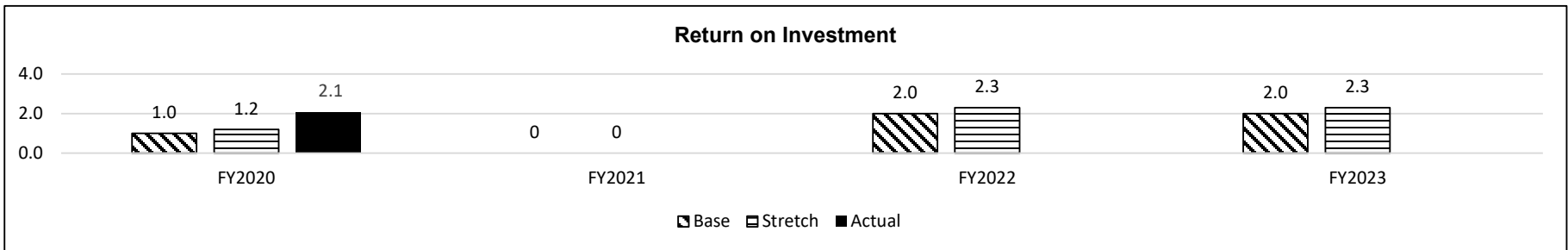
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2d. Provide a measure(s) of the program's efficiency.



The average cost per passing of \$5,000 was utilized from anecdotal research of benchmark states. The inaugural round of the broadband grant program, awarded to sixteen projects in April 2020 yielded an average cost per passing of \$4,501. The cost to deploy will be catalogued during each grant review cycle and will be benchmarked over time.



Return on investment calculation will be dividing the cash match by the amount granted from the state grant program. The guidelines and criteria encourages a strong cash match from the applicant and other identified partners. In-kind commitments will be tracked, but will not be included in the return on investment calculation. The cost to deploy will be catalogued during each grant review cycle and benchmarked over time.

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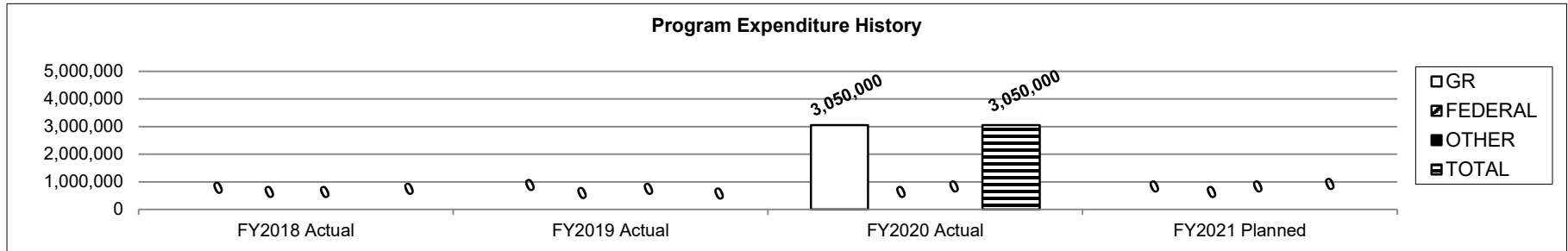
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



Note: Planned GR expenditures reflects 3% Governor's Reserve.

4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 620.2450, RSMo

6. Are there federal matching requirements? If yes, please explain.

No.

7. Is this a federally mandated program? If yes, please explain.

No.